



DEPARTMENT OF COMMERCE AND REGULATION

118 W. Capitol Avenue, First Floor • Pierre, South Dakota 57501-2000

Appraiser Certification Program • www.state.sd.us/dcr/appraisers

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August 3, 2000

FAX LETTER

7 Pages

Ben Henson, Executive Director

Appraisal Subcommittee

2000 K Street NW ;# 310

Washington, D.C. 20006

RE: Transactions Requiring Qualified Appraisers and Scope of Practice
for State-Registered Appraisers

Dear Ben:

The Department of Commerce and Regulation, Appraiser Certification Program is beginning the rules review process for this year. One of the areas that we intend to focus on this year is ARSD 20:14:04 Transactions Requiring Qualified Appraisers. You will find the Chapter attached.

The purpose of this letter is to request that you review this Chapter to ensure that South Dakota's rules meet the intent of Title XI, Financial Institutions Reform, Recovery and Enforcement Act and the ASC's Policy Statements. Please offer any comments that you may have.

Also, we are considering revising ARSD 20:14:04:11. Appraisal by state-registered appraiser. to read as follows:

A state-registered appraiser may perform residential property appraisals with a transaction value of less than \$250,000 and assist in the preparation of appraisals prescribed in § 20:14:04:12.

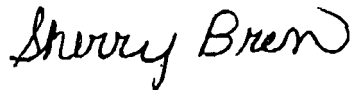
This revision would limit the state-registered (entry level) appraiser to appraising only residential properties on their own. The state-registered appraiser would continue to be allowed to assist in the preparation of federally related transaction appraisals if supervised by a licensed or certified appraiser. The Department has reason to believe that a large percentage of entry level appraisers are not competently performing non-residential appraisals under the de minimis level which they are legally allowed to do at the present time, therefore it seems appropriate to limit them to residential property appraisals unless assisting a licensed or certified appraiser in the performance of non-residential appraisals.

Mr. Henson
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The Department would find it most helpful in making our decision to revise the scope of practice for the state-registered appraiser if you would provide any comments regarding the above proposed revision.

If you need more information or have any questions, please feel free to contact me. Rule revisions will be discussed at the next Appraiser Advisory Board scheduled for August 25, 2000.

Sincerely,



**Sherry Bren, Administrator
Appraiser Certification Program**

**Cc: Advisory Board Members
Examiners
David Volk**